



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

March 20, 2007

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT H-702064
FOR TRAINING AND CONSULTING SERVICES
AT MARTIN LUTHER KING, JR.-HARBOR HOSPITAL
(2nd District) (3 Votes)**

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services, or his designee, to execute Amendment No. 1 to Agreement H-702064, substantially similar to Exhibit I, at the same rate with SterilTek, Inc. to provide Central Sterile Manager training and consulting services for Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor), effective May 1, 2007 through June 30, 2008 with a total maximum obligation of \$380,324.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

*To improve health
through leadership,
service and education.*

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

Board approval of this action will allow MLK-Harbor to continue addressing some of the safety and performance issues identified by the Centers for Medicare and Medicaid Services' (CMS) survey of October 22, 2004. The Central Sterile Manager ensures that the hospital meets the standards for sterile processing and the distribution of medical supplies set by regulatory agencies, including The Joint Commission and Occupational Safety and Health Administration. Other organizations such as Association for the Advancement of Medical Instrumentation, Association of Perioperative Registered Nurses, and the American National Standards Institute also identify standards for sterilization in health care facilities, sterilization equipment, and sterilization process control.

To ensure compliance with CMS and The Joint Commission standards, the Department of Health Services (DHS) has been recruiting for a permanent replacement for the position of Central Sterile Manager since 2005. The recruitment efforts have so far been futile due to the following reasons: instability of the hospital's operations, overall industry shortage for experienced personnel for similar positions (other DHS hospitals are recruiting for the position), and the County's below industry-standard salary.



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During the last seven months, only two candidates applied for the position of Central Sterile Manager. One did not meet the minimum requirements, while the other qualified candidate declined an interview.

Approval of the recommended action will enhance MLK-Harbor's capability to meet the required CMS and The Joint Commission standards, and most importantly, to pass the upcoming CMS inspections. This position will ensure the safety of the operating rooms and, ultimately, improve the quality of overall patient care.

FISCAL IMPACT/FINANCING:

The maximum obligation is \$380,324 (\$54,332 for Fiscal Year (FY) 2006-07 and \$325,992 for FY 2007-08) for the period effective May 1, 2007 through June 30, 2008. Funding is included in the MLK-Harbor FY 2006-07 Final Budget and has been requested in the FY 2007-08 Proposed Budget Request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The services provided by the Central Sterile Manager are critical to the quality of patient care of the operating rooms. This position ensures the sterilization of medical instruments used for all surgeries, as well as provides training and supervision of the central sterilization services employees. The previous employee, who was responsible for these duties, retired in early 2005, and MLK-Harbor has not yet been able to hire a qualified replacement.

On June 7, 2006, your Board approved DHS' request to enter a training and consulting agreement with SterilTek, Inc., effective July 1, 2006 through October 31, 2006, with six, one-month optional renewal periods through April 30, 2007, with a total maximum obligation of \$271,660.

MLK-Harbor's administration determined that SterilTek, Inc., a subsidiary of Steris, is a reputable consulting firm that could help the hospital successfully achieve the goals for delivering clean, sterile and on-time instrument sets to the operating rooms as required by CMS and The Joint Commission standards. Identifying and hiring a qualified candidate has proven to be more difficult than expected.

MLK-Harbor has been actively recruiting for a Central Sterile Manager, but has attracted very little interest from qualified candidates. To ensure stable ongoing operations, it is imperative that SterilTek, Inc. continues its services until a permanent Central Sterile Manager is hired and oriented.

The Agreement includes all of the latest Board-mandated provisions. County may terminate the Agreement with a 30-day prior written notice. Since this contract involves services for which there is a budgeted County position, per standard practice, DHS Human Resources, Employee Relations has been informed.

The Department has determined that this is not a Proposition A agreement because the services provided are temporary and highly specialized, therefore, provisions of the County's Living Wage Program do not apply.

Attachment A provides additional information.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS:

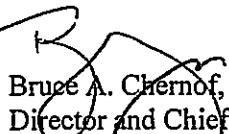
On June 7, 2006, the Board approved an Agreement with SterilTek, Inc. for services which had been previously obtained under a Purchase Order. The Agreement was necessary due to MLK-Harbor's critical need to correct deficiencies as identified by the CMS survey in the area of sterilization services. Since MLK-Harbor has not been able to identify and hire a qualified candidate for this crucial position necessary for the safety of the operating rooms, an extension of this highly specialized agreement with SterilTek, Inc. is essential for the hospital's operations.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended action will ensure MLK-Harbor can continue its efforts in meeting the regulatory agencies' standards.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:jc
BL - SterilTek.jc.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENT

1. TYPE OF SERVICES:

Equipment sterilization training and consulting services.

2. AGENCY ADDRESS AND CONTACT PERSON:

John Fowler, Vice President
SterilTek, Inc.
2424 W. 23rd Street
Erie, PA 16506-2921
Phone: (814) 835-2565

3. TERM:

Agreement No. H-702064: July 1, 2006 through April 30, 2007
Amendment No. 1: May 1, 2007 through June 30, 2008

4. FINANCIAL INFORMATION:

The maximum obligation is \$380,324 (\$54,332 for Fiscal Year (FY) 2006-07 and \$325,992 for FY 2007-08) for the period effective May 1, 2007 through June 30, 2008. Funding is included in the MLK-Harbor FY 2006-07 Final Budget and has been requested in the FY 2007-08 Proposed Budget Request.

5. GEOGRAPHIC AREA SERVED:

Second District.

6. ACCOUNTABILITY FOR PROGRAM MONITORING AND EVALUATION:

Facility Administrator.

7. APPROVALS:

Martin Luther King, Jr.-Harbor Hospital: Antionette Smith-Epps, CEO

Contracts and Grants: Cara O'Neill, Chief

County Counsel (approval as to form): Sharon A. Reichman, Principal

FACT SHEET

RE: APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT H-702064 FOR TRAINING AND CONSULTING SERVICES AT MARTIN LUTHER KING, JR.-HARBOR HOSPITAL

2nd District

CONTACT PERSON:

Antionette Smith-Epps, CEO
Martin Luther King, Jr.-Harbor Hospital
12021 S. Wilmington Avenue
Los Angeles, CA 90059
email: asmithepps@ladhs.org

CONTRACT LIAISON:

Maxwell Agbo
Martin Luther King, Jr.-Harbor Hospital
(310) 668-5071
email: magbo@ladhs.org

SUBJECT:

Approval of Amendment No. 1 to Agreement H-702064 for Training and Consulting Services at Martin Luther King, Jr.-Harbor Hospital.

REQUESTED ACTION:

Authorize the Director of Health Services, or his designee, to execute Amendment No. 1 to Agreement H-702064, substantially similar to Exhibit I, at the same rate with SterilTek, Inc. to provide Central Sterile Manager training and consulting services for Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor), effective May 1, 2007 through June 30, 2008 with a total maximum obligation of \$380,324 (\$54,332 for Fiscal Year (FY) 2006-07 and \$325,992 for FY 2007-08).

SERVICES:

Training and Consulting Services At MLK-Harbor.

FUNDING:

The maximum obligation is \$380,324 (\$54,332 for FY 2006-07 and \$325,992 for FY 2007-08) for the period effective May 1, 2007 through June 30, 2008. Funding is included in the MLK-Harbor FY 2006-07 Final Budget and has been requested in the FY 2007-08 Proposed Budget Request.

TERM OF CONTRACT:

The term of the agreement is July 1, 2006 through April 30, 2007. The amendment extends the term effective May 1, 2007 through June 30, 2008.

FACT SHEET (cont'd)

TERMINATION PROVISIONS:

The Agreement provides for termination at any time by County upon the giving of at least 30 calendar days' advance written notice.

AUTOMATIC RENEWAL:

Not applicable.

FIRST BOARD APPROVED CONTRACT:

June 7, 2006.

CURRENT CONTRACT EXPIRATION:

April 30, 2007.

RETROACTIVE AGREEMENT:

Not applicable.

REQUEST FOR PROPOSAL (RFP) PROCESS:

Not applicable.

SOLE SOURCE JUSTIFICATION:

Not applicable.

SMALL BUSINESS WEB SITE:

Not applicable.

BL - SterilTek.jc.wpd